



SACHI A. HAMAI  
Chief Executive Officer

## County of Los Angeles CHIEF EXECUTIVE OFFICE

Kenneth Hahn Hall of Administration  
500 West Temple Street, Room 713, Los Angeles, California 90012  
(213) 974-1101  
<http://ceo.lacounty.gov>

*"To Enrich Lives Through Effective And Caring Service"*

Board of Supervisors  
HILDA L. SOLIS  
First District

MARK RIDLEY-THOMAS  
Second District

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Third District

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Fourth District

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Fifth District

March 12, 2019

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

# ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

22 March 12, 2019

CELIA ZAVALA  
EXECUTIVE OFFICER

**NEW LEASE  
LOS ANGELES COUNTY ARTS COMMISSION  
1055 WILSHIRE BOULEVARD, SUITES 800 AND 810, LOS ANGELES  
(FIRST DISTRICT)  
(3 VOTES)**

### SUBJECT

Approval of a proposed five-year lease, which replaces two separate existing leases with one new lease, providing for continued use of approximately 10,358 square feet of existing office space and 35 on-site parking spaces for the Los Angeles County Arts Commission.

### **IT IS RECOMMENDED THAT THE BOARD:**

1. Find that the proposed lease is categorically exempt from the provisions of the California Environmental Quality Act pursuant to Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board of Supervisors (Board), and per Section 15301 of the State of California Environmental Quality Act Guidelines (CEQA) (Existing Facilities).
2. Authorize the Chief Executive Officer, or her designee, to sign the proposed five year, full-service gross lease with Jamison 1055 Wilshire LLC (Landlord), for a total occupancy of approximately 10,358 square feet of office space including 35 on-site parking spaces at 1055 Wilshire Boulevard. The maximum annual base rent for the first year is \$348,029, including parking for 35 vehicles. The rental costs are funded primarily by County general funds.

3. Authorize and direct the Chief Executive Officer, or her designee, to execute any other ancillary documentation necessary to effectuate the proposed lease, and authorize the Chief Executive Officer and the Executive Director of the Arts Commission, or their designees, to take actions necessary and appropriate to implement the proposed lease. The proposed lease will become effective upon approval by the Board of Supervisors, however, the new term and rent will commence upon full execution of the lease.

### **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

Los Angeles County Arts Commission (LACAC) has leased Suite 800, and 26 parking spaces at 1055 Wilshire Boulevard in Los Angeles, since July 1, 2012. The lease is currently in holdover since July 1, 2017, with a monthly rent penalty of 25 percent of base rent. LACAC has also separately leased Suite 810 and 9 parking spaces at 1055 Wilshire Boulevard, since February 1, 2015. This lease is also currently in holdover since February 1, 2018 with no holdover penalty. The proposed lease will replace the two existing leases and provide a single new lease for Suites 800 and 810, and allow LACAC to continue its operations at the subject facility. Parking is provided in the parking structure at the facility at no cost to the County, and the location is near public transportation routes.

### **Implementation of Strategic Plan Goals**

The Countywide Strategic Plan Goal of “Foster Vibrant and Resilient Communities” (Goal 2) directs that our investments in the lives of County residents are sustainable only when grounded in strong communities. We want to be the hub of a network of public-private partnering agencies supporting vibrant communities. The proposed lease will support this goal by allowing LACAC to continue fostering diversity, vitality, cultural understanding and accessibility of the arts to all who live in and visit the County of Los Angeles. The proposed lease is in conformance with the Asset Management Principles, as outlined in Attachment A.

### **FISCAL IMPACT/FINANCING**

The new rental rate reflects an increase of 14.51 percent from the previous base rent. However, even with the increase, the new base rent is below the range of current market rents. Since the holdover penalty will stop effective with full execution of the lease, the overall fiscal impact of the proposed lease will decrease annual rental costs by a maximum amount of \$16,238, resulting in a base rent reduction from \$364,267 to a maximum annual base rent of \$348,029 in the first year.

Landlord will also provide certain Tenant Improvements (TIs), to refresh the existing premises, at its sole cost as part of the proposed lease while the Tenant remains on-site. Landlord shall perform the work in a manner to minimize unreasonable interference with Tenant's business.

The proposed lease provides for annual rent increases based on the Consumer Price Index and capped at 3 percent per year. Total base rent, assuming 3 percent annual increases, will be approximately \$1,847,733 over the term. The Landlord is responsible for all repair and maintenance costs of the facility, including janitorial costs. Attachment B provides an overview of the proposed lease costs.

Sufficient funding for the proposed lease is included in the Fiscal Year (FY) 2018-19 Rent Expense budget and will be billed back to the Executive Office. The Executive Office has sufficient funding in their FY 2018-19 operating budget to cover the rental costs for the same period. Beginning in FY 2019-20, ongoing funding for the proposed lease will be part of the budget for the newly-created Department of Arts and Culture.

Rental costs for LACAC are funded primarily by County general funds. LACAC also receives a number of grants from various program initiatives from foundations and other public sources.

### **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

In addition to the terms previously stated, the proposed lease also contains the following provisions:

- A cancellation provision that allows the County to terminate the proposed lease any time after the 36th month from the commencement date with 120 days prior written notice and without penalty.
- LACAC will have two five-year options to extend the term of the proposed lease.

The Chief Executive Office (CEO) conducted a market survey within the project area to determine the availability of comparable office space options. The leasing agent was unable to identify any sites in the surveyed area that could accommodate this requirement. Based upon a review of available industry data, staff has established that the annual rental range for similar space is between \$37.50 and \$47 per square foot per year. In comparison, the base rent of \$33.60 per square foot per year for the proposed lease agreement is below the market range for the area. Attachment C shows County-owned or leased facilities in the proximity of the service area, and there are no suitable County-owned or leased facilities available for the program.

The Department of Public Works has inspected this facility and found it suitable for the County's occupancy. Notification letters have been sent pursuant to Government Code Sections 25351 and 65402. County Counsel has reviewed the attached proposed lease agreement and approved it as to form.

The proposed lease will continue to provide an appropriate location for the program, which is consistent with the County's Facility Location Policy, adopted by the Board of Supervisors on July 24, 2012, as outlined in Attachment D.

### **ENVIRONMENTAL DOCUMENTATION**

The CEO has concluded that this project is exempt from the California Environmental Quality Act (CEQA), as specified in Class 1 of the Environmental Document Reporting Procedures and Guidelines adopted by the Board of Supervisors, and Section 15301 of the State CEQA Guidelines (Existing Facilities).

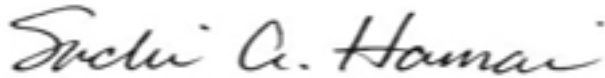
**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

The proposed lease will adequately provide the necessary office space for this County requirement. LACAC concurs with the proposed recommendation.

**CONCLUSION**

It is requested that the Executive Office, Board of Supervisors, return two certified copies of the Minute Order, and the adopted, stamped Board letter to the CEO, Real Estate Division, at 222 South Hill Street, 4th Floor, Los Angeles, CA 90012, for further processing.

Respectfully submitted,

A handwritten signature in black ink, reading "Sachi A. Hamai". The signature is written in a cursive, flowing style.

SACHI A. HAMAI

Chief Executive Officer

SAH:DPH:DL

JLC:MN:JT:gw

Enclosures

c: Executive Office, Board of Supervisors  
County Counsel  
Auditor-Controller  
Arts Commission

# ATTACHMENT A

## 1055 WILSHIRE BOULEVARD, SUITES 800 AND 810, LOS ANGELES Asset Management Principles Compliance Form<sup>1</sup>

1.	<b>Occupancy</b>		Yes	No	N/A
A	Does lease consolidate administrative functions? <sup>2</sup>			X	
B	Does lease co-locate with other functions to better serve clients? <sup>2</sup>			X	
C	Does this lease centralize business support functions? <sup>2</sup>			X	
D	Does this lease meet the guideline of 200 sq. ft of space per person? <sup>2</sup> <b>Ratio is approximately 211 square feet per person per existing lease which includes reception and interview meeting areas w/conference room.</b>			X	
E	Does lease meet the 4/1000 sq. ft. parking ratio guideline? <sup>2</sup> <b>3.4/1,000. Only 35 spaces are available for this renewal.</b>			X	
F	Does public parking and mass-transit exist to facilitate employee, client and visitor access to the proposed lease location? <sup>2</sup>			X	
2.	<b>Capital</b>				
A	Is it a substantial net County cost (NCC) program?		X		
B	Is this a long-term County program?		X		
C	If yes to 2 A or B; is it a capital lease or an operating lease with an option to buy?			X	
D	If no, are there any suitable County-owned facilities available?			X	
E	If yes, why is lease being recommended over occupancy in County-owned space?				X
F	Is Building Description Report attached as Attachment C?		X		
G	Was build-to-suit or capital project considered? <b>The County already occupies a portion of the facility and a capital project was not considered.</b>			X	
3.	<b>Portfolio Management</b>				
A	Did department utilize CEO Space Request Evaluation (SRE)?		X		
B	Was the space need justified?		X		
C	If a renewal lease, was co-location with other County departments considered? <sup>2</sup> <b>Department prefers to remain in the existing premises for programmatic reasons.</b>			X	
D	Why was this program not co-located?				
	1. ___ The program clientele requires a "stand alone" facility.				X
	2. ___ No suitable County occupied properties in project area.		X		
	3. ___ No County-owned facilities available for the project.		X		
	4. ___ Could not get City clearance or approval.				X
	5. ___ The Program is being co-located.			X	
E	Is lease a full-service lease? <sup>2</sup>		X		
F	Has growth projection been considered in space request?		X		
G	Has the Dept. of Public Works completed seismic review/approval? <sup>1</sup>		X		
<sup>1</sup> As approved by the Board of Supervisors 11/17/98					
<sup>2</sup> If not, why not?					

**OVERVIEW OF THE PROPOSED LEASE COSTS**

	<b>Existing Leases:</b> <b>1055 Wilshire Boulevard, Suites 800(No. 76054) and 810(L-1201) Los Angeles</b>	<b>Proposed Lease</b>	<b>Change</b>
Area (Square Feet)	Suite 800 7,873 s.f. Suite 810 + <u>2,033 s.f.</u> Total 9,906 s.f.	Suite 800 8,325 s.f. Suite 810 + <u>2,033 s.f.</u> Total 10,358 s.f. (Re-measured per Method A 2010 BOMA Standards)	+452 s.f.
Term (years)	5 years 07/01/12-06/30/17 and 3 years 02/01/15-01/31/18, both on Month-to-Month holdover .	Five years plus two five-year options to renew	Five years with two five year options to renew.
Annual Base Rent <sup>(1)</sup> (Base rent includes 35 parking spaces)	Base Rent \$303,912 (\$30.68 per sq. ft. annually)	Total \$348,029 (\$33.60 per sq. ft. annually)	+\$44,117 annually
Annual TI Reimbursement	\$0	\$0	\$0
Annual Parking Cost (N/A)			
Total Annual Lease Costs	\$303,912	\$348,029	+\$44,117 annually
Rental adjustment	Annual CPI adjustments capped at 4 percent with no minimum.	Annual CPI adjustments capped at 3 percent with no minimum.	Annual CPI capped at 3 percent per year

<b>Summary</b>	<b>Base Rent</b>	<b>Tenant Improvements Payments</b>	<b>Janitorial Costs</b>	<b>Parking Costs</b>	<b>Total Lease Costs</b>	<b>Low Voltage Costs</b>	<b>Total amount for space</b>
First Year Rental Costs:	\$348,029	\$0	\$0	\$0	\$348,029	\$0	\$348,029
Five-Year Rental Costs:	\$1,847,733 <sup>(1)</sup>	\$0	\$0	\$0	\$1,847,733 <sup>(1)</sup>	N/A	\$1,847,733 <sup>(1)</sup>

A Holdover Penalty was imposed per the lease as a result of Landlord and Tenant not having a fully executed lease renewal completed prior to the expiration of the existing leases (includes parking costs).

The County has been in holdover since July 1, 2017. The holdover penalty is \$5,029 per month. The total holdover penalty is \$95,551.00 through January 2019. The holdover penalty applies to Suite 800 only.

<sup>(1)</sup> Assumes annual rent increases based on CPI indexed with a maximum increase of three percent per annum.

**COUNTY OF LOS ANGELES ARTS COMMISSION**  
**SPACE SEARCH – 3 MILE RADIUS FROM 1055 BOULEVARD, LOS ANGELES**

LACO	Name	Address	Gross SQFT	Net SQFT	Ownership	VACANT SQFT
X317	DCSS - Le Sage Complex 4 Story Building	3175 W 6th St. Los Angeles 90020	52230	40146	Owned	NONE
A369	DCFS - Headquarters Annex	501 Shatto Pl Los Angeles 90020	17751	15976	Leased	NONE
A384	Ag Comm/Wts & Measures - Downtown Market Office	1320 E Olympic Blvd Los Angeles 90021	776	776	Leased	NONE
A413	Human Resources - Wilshire Square Two Building	3333 Wilshire Blvd Los Angeles 90010	85991	72804	Leased	NONE
X550	Mental Health - Le Sage Complex Tower	550 S Vermont Ave Los Angeles 90020	171651	148400	Owned	NONE
A336	Sheriff - Wilshire Centre Building	3055 Wilshire Blvd Los Angeles 90010	7755	7115	Leased	NONE
A360	DPSS - Metro North AP/Calworks District Office	2601 Wilshire Blvd Los Angeles 90057	62000	60140	Leased	NONE
L360	DPSS - Metro North/CalWORKs District	2601 Wilshire Blvd Los Angeles 90057, 651 S Coronado St. Los Angeles 90057	501000	40	Leased	NONE
A429	CAO - Real Estate Division/Service Integration	222 S Hill St. Los Angeles 90012	34737	30798	Leased	NONE
A424	DPSS - Equitable Plaza Building	3435 Wilshire Blvd Los Angeles 90010	65872	62578	Leased	NONE
A442	Mental Health - LAPD - Smart Team Office	419 S Spring St. Los Angeles 90013	1000	1000	Gratis Use	NONE
3154	Clara Shortridge Foltz Criminal Justice Center	210 W Temple St. Los Angeles 90012	1036283	516275	CA - Superior Courts	NONE
3155	Performing Arts Center - De Lisa Building/The Annex	301 N Grand Ave Los Angeles 90012, 601 W Temple St. Los Angeles 90012	27582	17978	Owned	NONE
0181	Kenneth Hahn Hall of Administration	500 W Temple St. Los Angeles 90012	958090	557268	Owned	NONE
0156	Hall of Records	227 N Broadway Los Angeles 90012, 320 W Temple St. Los Angeles 90012	438095	260776	Owned	NONE
0161	Central Jail - Main Jail Building	433 Bauchet St. Los Angeles 90012	704358	315719	Owned	NONE
0142	El Pueblo Redevelopment Property - Plaza House	507 N Main St. Los Angeles 90012	15618	11154	Owned	NONE
0143	El Pueblo Redevelopment Property - Vickrey Building	501 N Main St. Los Angeles 90012	34350	29710	Owned	NONE
0101	Hall of Justice	211 W Temple St. Los Angeles 90012	426223	320477	Owned	NONE
A532	PH Health - Wilshire Metroplex Building	3530 Wilshire Blvd Los Angeles 90010	113027	101920	Leased	NONE
B426	DMH - Adult Systems of Care - FSP	426 S San Pedro St. Los Angeles 90013	6500	6175	Leased	NONE
D015	DPSS - Catholic Charities Computer Center	1530 James M Wood Blvd Los Angeles 90017, 1530 W 9th St. Previously W. 9th St. LA 90017	200	200	Permit	NONE
B500	DHS - Workforce Development Program	500 S Virgil Ave Los Angeles 90020	8000	7200	Permit	NONE

LACO	Name	Address	Gross SQFT	Net SQFT	Ownership	VACANT SQFT
A578	Auditor - Shared Services Initiative	3470 Wilshire Blvd Los Angeles 90010	21500	20425	Leased	NONE
A578	Auditor - Shared Services Initiative	3470 Wilshire Blvd Los Angeles 90010	21500	20425	Leased	NONE
A627	County Admin Offices - LA World Trade Center	350 S Figueroa St. Los Angeles 90071	68314	65511	Leased	NONE
A632	Office of Inspector	312 S Hill St. Grand Central Market Los Angeles 90012	9782	9293	Leased	NONE
A675	DA - Metro Court/DCFS Metro North/ERCP/Call Center	1933 S Broadway Los Angeles 90007	148483	141059	Leased	NONE
A683	Service Integration Pilot Project	1910 Magnolia Ave Los Angeles 90007	1035	984	Leased	NONE
A216	DPSS - Appeals & State Hearings	811 Wilshire Blvd Suite 1118 Los Angeles 90017	5665	5439	Leased	NONE
0238	Foster Care Clinic Med Hub Program	3250 Wilshire Blvd 3rd Fl Los Angeles 90010	231	231	Gratis Use	NONE
A118	Citizens Commission On Jail Violence	355 S Grand Ave Los Angeles 90071	60984	60984	Gratis Use	NONE
A205	DMH - Skid Row Management Team	420 E 3rd St. Los Angeles 90013	8526	8100	Leased	NONE
A588	Sheriff's AB 109 Parole Compliance Team	301 S Central Ave Los Angeles 90013	3100	2945	Leased	NONE
B915	Star Skid Row Office	238 E 6th St. Los Angeles 90014	1882	1788	Leased	NONE
10108	Parks and Recreation Planning and Development	510 S Vermont Ave Los Angeles 90020	30788		Owned	NONE
10112	Regional Parks and Open Space District	510 S Vermont Ave Los Angeles 90020	0	0	Owned	NONE
X263	Twin Towers - Tower 1 Maximum Security	450 Bauchet St. Los Angeles 90012	436688	371185	Owned	NONE
A425	DCFS - Headquarters Building	425 Shatto Pl Los Angeles 90020	81912	77816	Leased	NONE
B922	DPSS - Wilshire Special District Office	2415 W 6th St. Los Angeles 90057	46228	42065	Leased	NONE
B695	PH - Immuniz&Envir Health/Mental Health	695 S Vermont Ave Los Angeles 90010	125622	118605	Leased	NONE
Y193	Parks & Recreation - Headquarters Building	433 S Vermont Ave Los Angeles 90020	31862	21777	Owned	NONE
Y013	DPSS - Civic Center District/Grow Center Office	813 E 4th Pl Los Angeles 90013	39956	20447	Owned	NONE
6518	The Adams & Grand Building	2615 S Grand Ave Los Angeles 90007	215439	181999	Owned	NONE
5456	Health Services Administration Building	313 N Figueroa St. Los Angeles 90012	221359	130143	Owned	NONE
5353	DPSS - Metro Special District Office	2707 S Grand Ave Los Angeles 90007	115242	82428	Owned	NONE
5266	Metropolitan Courthouse	1945 S Hill St. Los Angeles 90007	303433	136422	CA - Superior Courts	NONE



## FACILITY LOCATION POLICY ANALYSIS

**Proposed lease renewal:** Lease agreement for the Board of Supervisors on behalf of the Los Angeles County Arts Commission (LACAC) – 1055 Wilshire Boulevard, Suites 800 and 810, Los Angeles – 1<sup>st</sup> District.

**A. Establish Service Function Category** – Regional and local public service function.

**B. Determination of the Service Area** –The proposed lease renewal agreement will allow LACAC to continue to provide diversity, vitality, cultural understanding and accessibility of the arts to all who live in and visit the County of Los Angeles.

**C. Apply Location Selection Criteria to Service Area Data**

- Need for proximity to service area and population: LACAC is most effective when located in the same geographic area as their constituents. This location meets the service area criteria and remains in an appropriate area.
- Need for proximity to existing County facilities: It is LACAC's desire to collaborate, provide information and resources to the community, artists, educators, arts organizations, municipalities, and constituents.
- Need for proximity to Los Angeles Civic Center: N/A. Location is in close proximity to the Kenneth Hahn Hall of Administration.
- Economic Development Potential: N/A
- Proximity to public transportation: The location is adequately served by local transit services including the Metro lines, bus service and the 110 Freeway.
- Availability of affordable housing for County employees: The surrounding area provides for affordable housing and rental opportunities.
- Use of historic buildings: N/A
- Availability and compatibility of existing buildings: The 1055 Wilshire Boulevard, Suites 800 and 810 facility, has been determined compatible given the types of programs it houses and it currently operates at capacity. Staff has been at this location since July 2007.
- Compatibility with local land use plans: The Department of Public Works inspected the facility and found it suitable for County occupancy. Notification letters have been sent pursuant to Government Code Sections 25351 and 65402.

- Estimated acquisition/construction and ongoing operational costs: The initial annual maximum rent is \$348,029, which includes base rent and parking. Rental costs for LACAC are funded primarily by County general funds. LACAC also receives a number of grants from various program initiatives from foundations and other public sources. The Civic Art Program and associated positions are funded by 1 percent of County capital projects. It is not anticipated that revenues will change as a result of space costs.

#### **D. Analyze results and identify location alternatives**

Based upon the space and service needs of LACAC, staff surveyed the immediate area to determine the availability of comparable and more economical site alternatives.

Based upon a review of available industry data, staff has established that the annual rental range for similar space is between \$37.50 and \$47 per square foot per year on a full-service gross basis, (i.e., excluding parking). Therefore, the base annual rent of \$33.60 per square foot per year full-service gross, including parking and janitorial service, for the proposed lease renewal, represents a rate below the market range for the area.

#### **E. Determine benefits and drawbacks of each alternative based upon functional needs, service area, cost and other Location Selection Criteria**

The renewal of the subject lease agreement for LACAC will provide adequate office space for their employees and efficient space for on-site service to clients, which is consistent with the County's Facility Location Policy, adopted by the Board of Supervisors on July 24, 2012. The cost of comparable sites was higher per square foot and would require additional tenant improvements that would probably further increase overall costs.

COUNTY OF LOS ANGELES

CHIEF EXECUTIVE OFFICE

LEASE AGREEMENT

BOARD OF SUPERVISORS

ARTS COMMISSION

JAMISON 1055 WILSHIRE, LLC – Landlord

1055 WILSHIRE BOULEVARD

SUITES 800 AND 810

LOS ANGELES, CALIFORNIA 90017

COUNTY OF LOS ANGELES  
CHIEF EXECUTIVE OFFICE  
LEASE AGREEMENT

THIS LEASE ("Lease") is entered into as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_  
between JAMISON 1055 WILSHIRE, LLC ("Landlord"), and COUNTY OF  
LOS ANGELES, a body politic and corporate ("Tenant").

Landlord and Tenant agree:

1. BASIC LEASE INFORMATION

1.1. Terms

The following terms as used herein shall have the meanings provided in  
this Section 1, unless otherwise specifically modified by provisions of this  
Lease:

a. Landlord's Address for Notice: Jamison 1055 Wilshire, LLC  
1055 Wilshire Boulevard, Suite 850  
Los Angeles, CA 90017  
Attn: Property Manager

With a copy to:

3470 Wilshire Boulevard, Suite 700  
Los Angeles, CA 90010  
Attn: Jason Cha, Esq.

b. Tenant's Address for Notice: Board of Supervisors  
Kenneth Hahn Hall of Administration  
Room 383  
500 West Temple Street  
Los Angeles, California-90012

With a copy to:

Chief Executive Office  
Real Estate Division  
222 South Hill Street, 3<sup>rd</sup> Floor  
Los Angeles, California 90012  
Attention: Director of Real Estate  
Fax Number: (213) 830-0926

- c. Premises: Approximately 10,358 rentable square feet in the Building (defined below) as shown on Exhibit A attached hereto and commonly known as Suites 800 and 810. Suite 800 is approximately 8,325 rentable square feet and Suite 810 is approximately 2,033 rentable square feet.
- d. Building: The Building is located at 1055 Wilshire Boulevard, which is currently assessed by the County Assessor as 5143-025-028 APN and described more particularly in Exhibit B attached hereto (the "Property" or "Building")
- e. Term: Five (5) years commencing upon the full execution of this lease ("Commencement Date"); and terminating at midnight on the day before the fifth (5<sup>th</sup>) anniversary of the Commencement Date (the "Termination Date"), subject to earlier termination by Tenant as provided herein. The phrase "Term of this Lease" or "the Term hereof" as used in this Lease, or words of similar import, shall refer to the initial Term of this Lease together with any additional Extension Term for which an option has been validly exercised.
- f. Projected Commencement Date: November 1, 2018
- g. Irrevocable Offer Expiration Date: October 31, 2018
- h. Base Rent: \$29,002.40 per month (which is based upon a rental rate of \$2.80 per rentable square foot adjustable only as provided in Section 2.2 hereof.)
- i. Early Termination: Tenant has the right to cancel any time after the thirty-sixth (36<sup>th</sup>) month of the Lease Term upon one hundred twenty (120) days' prior written notice to Landlord.

- j. Rentable Square Feet in the Premises: Approximately 10,358 rentable square feet.
- k. Use: The Premises together with all appurtenances belonging to, or in any wise appertaining, shall be used as governmental office space or for other government purposes during normal working hours, after normal working hours, and on weekends and holidays.
- l. Initial Departmental Use: General office use for the Los Angeles County Arts Commission
- m. Parking Spaces: Thirty-five (35) unreserved spaces
- n. Normal Working Hours: 8:00 a.m. to 6:00 p.m. Monday through Friday and 9:00 a.m. to 1:00 p.m. Saturday, except New Year's Day, President's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, Christmas Day (on the days such holidays are generally observed) and such other holidays as are generally recognized by the County of Los Angeles, California
- o. Asbestos Report: A report dated December 27, 2017 prepared by Masek Consulting Services, Inc., a licensed California Asbestos contractor.
- p. Disabled Access Survey: A report dated April 3, 2018 prepared by Corbel Architects, Inc.
- q. Seismic Report: A report dated October 15, 2001 prepared by the Department of Public Works.

1.2. Defined Terms Relating to Preparation of Premises

- a. Base Tenant Improvement Allowance: N/A
- b. Additional Tenant Improvement Allowance: N/A

- |  |                |
|--|----------------|
| c. Maximum Change Order Allowance:                                   | N/A            |
| d. Additional Tenant Improvement and Change Order Amortization Rate: | N/A            |
| e. Base Rent Reduction:  | N/A.           |
| f. Tenant's Work Letter Representative:                              | N/A            |
| g. Landlord's Work Letter Representative:                            | N/A            |
| h. Landlord's Address for Work Letter Notice:                        | Not applicable |
| i. Tenant's Address for Work Letter Notice:                          | Not applicable |
- 
- |  |   |
|--|---|
| 1.3. Exhibits to Lease:<br><br>(Executed concurrently with this Lease and incorporated herein by this reference):      | Exhibit A - Floor Plan of Premises<br>Exhibit B - Legal Description of Property<br>Exhibit C - Commencement Date Memorandum and Confirmation of Lease Terms<br>Exhibit D - HVAC Standards<br>Exhibit E - Cleaning and Maintenance Schedule<br>Exhibit F - Preparation of Premises |
| 1.4. Landlord's Work Letter:<br><br>(Executed concurrently with this Lease and incorporated herein by this reference): | Not applicable  |
| 1.5. Supplemental Lease Documents:<br><br>(Delivered to Landlord and incorporated herein by this reference):           | Document I: Subordination, Non-Disturbance and Attornment Agreement<br>Document II: Tenant Estoppel Certificate<br>Document III: Community Business Enterprises Form<br>Document IV: Memorandum of Lease<br>Document V: Request for Notice  |

## 2. PREMISES

2.1. Landlord does hereby lease to Tenant, and Tenant does hereby lease from Landlord, upon the terms and conditions herein set forth, the Premises described in Section 1 and Exhibit A attached hereto.

2.2. Tenant shall have the right within ninety (90) days of approval of this Lease by the Board of Supervisors of the County of Los Angeles ("Board of Supervisors") to field-measure and verify the exact footage of the Premises and/or the Building. All measurements shall be taken in accordance with the methods of measuring rentable/usable area as described in the Standard Method for Measuring Floor Area in Office Buildings, ANSI Z65.1-1996, as promulgated by the Building Owners and Management Association ("BOMA") International except that no penthouse mechanical room space shall be included in the measurement. Should this measurement be less than the square footage stated above, Tenant shall have the right to adjust such square footage and reduce the Base Rent in Section 1 accomplished by the mutual execution of a memorandum of understanding between Landlord and Tenant. Landlord acknowledges the space has been marketed at the above-indicated rental amount and in the event of subsequent physical measurements, Landlord agrees there will be no adjustment made to either the square footage or the Base Rent in the event the measured square footage exceeds the amount represented by Landlord. Should Landlord and Tenant not agree with respect to the results of the measurement conducted pursuant to this Subsection 2.2, Landlord shall appoint an independent firm or person who is experienced in making such measurements whose determination with respect to which measurement is correct shall be final and binding upon the parties. Landlord and Tenant shall share equally in the fees of such firm.

## 3. COMMON AREAS

Tenant may use the following areas ("Common Areas") in common with Landlord and other tenants of the Building: the entrances, lobbies and other public areas of the Building, walkways, landscaped areas, driveways necessary for access to the Premises, parking areas and other common facilities designated by Landlord from time to time for common use of all tenants of the Building. Tenant shall comply with all reasonable, non-discriminatory rules and regulations regarding the use of the Common Areas established by Landlord.

## 4. COMMENCEMENT AND EXPIRATION DATES

### 4.1. Term

The term of this Lease shall commence upon the Commencement Date defined in section 1.1 (e) and terminate on the Termination Date. Concurrently upon execution of this Lease, Landlord and Tenant shall acknowledge in writing the Commencement Date by executing the Commencement Date Memorandum and Confirmation of Lease Terms attached as Exhibit C. Tenant hereby acknowledges that it



currently occupies the Premises and agrees, subject to Landlord's performance of the Preparation of Premises described in Exhibit "F" attached hereto, to continue to lease the Premises in its presently existing "as is" condition.

4.2. Intentionally Deleted

4.3. Intentionally Deleted

4.4. Early Termination

Tenant shall have the right to terminate this Lease at any time after the thirty-sixth (36th) month of the Lease Term by giving Landlord not less than one hundred twenty (120) days' prior written notice executed by the Chief Executive Officer of Tenant.

4.5 Option to Extension Terms:

(a) Terms of Option. Provided that no material default has occurred and is continuing under this Lease at the time the option is exercised, Tenant shall have two (2) options to renew this Lease (each, an "Option") for an additional period of five (5) years each (each, an "Extension Term").

(b) Exercise of Option. Tenant must exercise each Option to extend this Lease, if it elects to do so, by giving Landlord written notice of its intent to do so by Chief Executive Office letter no later than six (6) months prior to the end of the then-existing Lease Term (the "Exercise Notice").

(c) Terms and Conditions of Extension Term. The Base Rent payable during the Extension Term shall be the fair market rental rate for the Premises (based on comparable space in the same locality, taking into consideration the rental value of Tenant's parking spaces, and taking into account any rent abatement, tenant improvement allowances or other monetary concessions generally available with respect to such comparable spaces) (the "Fair Market Value") as of the date of the Exercise Notice (subject to annual increases pursuant to Article 6 of this Lease), but shall not be less than the Base Rent payable by Tenant immediately before the Extension Term. Landlord and Tenant shall have until the date that is sixty (60) days following the date that Landlord receives Tenant's Exercise Notice to mutually agree upon the new rental rate for the Extension Term. Except for the Base Rent at the new rates, all of the terms and conditions of this Lease shall remain the same and shall remain in full force and effect throughout the Extension Term; provided, however, that any free rent, improvement allowances, moving allowances, lease assumption payments, plan design allowances (or payments), expansion options, opportunity rights or other similar concessions provided for in this Lease shall not apply during any Extension Term. In the event Landlord and Tenant are unable to agree to a rental rate for the Extension Term during said sixty (60) day period, then the Option shall terminate and be null and void and this Lease shall, pursuant to its terms and provisions terminate at the end of the then existing Term.

#### 4.6 Termination of an Existing Lease Agreement:

Landlord and Tenant mutually agree that upon commencement of this Lease, lease agreement No. 76054, with a commencement date of July 1, 2007, and lease agreement No. L-1201, with a commencement date of February 1, 2015, shall terminate; provided, however, that Tenant's obligation to pay any amount of rent pursuant to lease agreement No. 76054 and lease agreement No. L-1201 (including any rent accrued during the holdover tenancy under Section 7 of lease agreement No. 76054) accruing prior to the Commencement Date shall survive the termination thereof.

#### 5. RENT

Tenant shall pay Landlord the Base Rent stated in Section 1 during the Term hereof within fifteen (15) days after a claim therefor for each such month has been filed by Landlord with the Auditor of the County of Los Angeles (the "County") prior to the first day of each month. Base Rent for any partial month shall be prorated in proportion to the number of days in such month.

#### 6. BASE RENT ADJUSTMENTS

(a) CPI. From and after the first anniversary of the Commencement Date, on the first day of the full calendar month thereafter ("Adjustment Date") and on every anniversary of the Adjustment Date thereafter, the Base Rent shall be adjusted by applying the CPI Formula set forth below. The "Base Index" shall be the Index published for the month immediately preceding the month that the Lease commences.

(b) CPI Formula. The "Index" means the Consumer Price Index for all Urban Consumers of the Los Angeles-Anaheim-Riverside area, all items published by the United States Department of Labor, Bureau of Labor Statistics (1982-84=100). The "CPI Formula" means the Base Rent multiplied by a fraction, the numerator being the Index published for the month immediately preceding the month the adjustment is to be effective, and the denominator being the Base Index. If the Index is changed so that the Index differs from that used as of the preceding year of the Lease, the Index shall be converted in accordance with the conversion factor published by the United States Department of Labor, Bureau of Labor Statistics. If the Index is discontinued or revised during the Term of this Lease, such other governmental Index or computation with which it is replaced shall be used in order to obtain substantially the same results as would be obtained if the Index had not been discontinued or revised.

(c) Illustration of Formula. The formula for determining the new rent shall be as follows:

New Index x \$29,002.40 (Base Rent)  
Base Index

= New Monthly Base Rent

(d) Limitations on CPI Adjustment. In no event shall the monthly Base Rent adjustment based upon the CPI Formula result in an annual increase greater than **three** percent (3%) per year of the Base Rent. In no event shall the monthly rent be adjusted by the CPI Formula to result in a lower monthly Base Rent than was payable during the previous year of the Lease.

7. USES

The Premises are to be used only for the uses set forth in Section 1 and for no other business or purpose; however, Landlord shall not unreasonably withhold its consent to a change of use.

8. HOLDOVER

If Tenant remains in possession of the Premises or any part thereof after the expiration of the term of this Lease, such occupancy shall be a tenancy which is terminable only upon ninety (90) days written notice from Landlord or ninety (90) days written notice from the Chief Executive Officer of Tenant at the last monthly Base Rent payable under this Lease (as such Base Rent may be adjusted from time to time in accordance with this Lease) plus all other charges payable under this Lease, and subject to all of the terms, covenants and conditions of this Lease.

9. COMPLIANCE WITH LAW

Tenant shall, at Tenant's expense, comply promptly with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect during the Term hereof, regulating the use, occupancy or improvement of the Premises by Tenant. Landlord, not Tenant, shall, at its sole cost, at all times cause the Premises to comply with all applicable statutes, ordinances, rules, regulations, orders and requirements in effect and binding upon Tenant or Landlord during the Term hereof, including without limitation, the Americans with Disabilities Act, except to the extent such compliance is made necessary as a result of Tenant's particular use of or alterations or improvements to the Premises.

10. DAMAGE OR DESTRUCTION

10.1. Damage

In the event any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and the Premises may be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than one hundred eighty (180) days, then Landlord shall promptly, at Landlord's expense, repair such damage and this Lease shall continue in full force and effect. If all or any portion of the Premises shall be made untenable by fire or other casualty, Landlord shall immediately secure the area to prevent injury to persons and/or vandalism to the

improvements. Landlord shall promptly, but in any event within ten (10) days, cause an architect or general contractor selected by Landlord to provide Landlord and Tenant with a written estimate of the amount of time required to substantially complete the repair and restoration of the Premises and make the Premises tenantable again using standard working methods. The failure to do so shall be a material default hereunder. Base Rent shall abate to the extent that the Premises are unusable by Tenant. Tenant waives the provisions of California Civil Code Sections 1932(2) and 1933(4) with respect to any partial or total destruction of the Premises.

#### 10.2. Tenant Termination Right

In the event any portion of the Premises is damaged by fire or any other cause rendering the Premises totally or partially inaccessible or unusable and the Premises will not be restored to a complete architectural unit of the same value, condition and character that existed immediately prior to such casualty in less than one hundred eighty (180) days for any reason, then Tenant may terminate this Lease by giving written notice within ten (10) days after notice from Landlord specifying such time period of repair; and this lease shall terminate and the Base Rent shall be abated from the date the Premises became untenable. In the event that Tenant does not elect to terminate this Lease, Landlord shall promptly commence and diligently prosecute to completion the repairs to the Building or Premises, provided insurance proceeds are available to repair the damages.

#### 10.3. Damage in Last Year

Notwithstanding the foregoing provisions, if any material destruction to the Premises occurs during the last year of the Term, either Landlord or Tenant may terminate this Lease by giving notice to the other not more than thirty (30) days after such destruction, in which case:

- a. Landlord shall have no obligation to restore the Premises;
- b. Landlord may retain all insurance proceeds relating to such destruction; and
- c. This Lease shall terminate as of the date which is thirty (30) days after such written notice of termination.

#### 10.4. Default by Landlord

If Landlord is required to repair and restore the Premises as provided for in this Section and Landlord should fail to thereafter pursue said repair and restoration work with reasonable diligence to completion, Tenant may:

- a. Declare a default hereunder or
- b. Perform or cause to be performed the restoration work and deduct the cost thereof plus interest thereon at ten percent (10%) per annum, from the Base Rent next due as a charge against Landlord.

## 11. REPAIRS AND MAINTENANCE

### 11.1. Landlord Representations

Landlord represents to Tenant that as of the Commencement Date:

a. The Premises, the Building and all Common Areas (including electrical, heating, ventilating, and air conditioning ("HVAC"), mechanical, plumbing, gas and fire/life safety systems in the Building and similar building service systems) are in reasonable good working order and condition;

b. The Building and Premises comply with all covenants, conditions, restrictions and underwriter's requirement;

c. The Premises is free of the presence of Hazardous Materials (as hereinafter defined);

d. Landlord has not received any notice from any governmental agency that the Building or the Premises are in violation of any law or regulation; and

e. Based upon a professional inspection of the Premises and the Building and the Asbestos Report that the Premises contain no asbestos containing materials (other than as may be reflected in the Asbestos Report), Landlord shall, prior to Tenant's occupancy, abate, at Landlord's sole cost and expense, all asbestos containing materials in the Premises to the extent required by law and, if such abatement is performed, provide Tenant with an updated report from a licensed California Asbestos contractor to that effect.

### 11.2. Landlord Obligations

a. Landlord shall keep and maintain in good repair and working order and promptly make repairs to and perform maintenance upon and replace as needed:

i. the structural elements of the Building, including without limitation, all permanent exterior and interior walls, floors and ceilings, roof, concealed plumbing, stairways, concealed electrical systems and telephone intra-building network cable;

ii. mechanical (including HVAC), electrical, plumbing and fire/life systems serving the Building;

iii. the Common Areas;

iv. exterior windows of the Building; and

v. elevators serving the Building.

b. Landlord, at its sole cost and expense, shall also perform all maintenance and repairs to the Premises, and shall keep the Premises in good condition and repair, reasonable wear and tear excepted. Landlord's repair obligations include, without limitation, repairs to:

i. the floor covering (if such floor covering is carpet tiles it shall be replaced as needed but not less often than after five (5) years of use, at Landlord's sole

cost and expense to pay for the lifting of any furniture to accommodate the carpet tile replacement);

- ii. interior partitions;
- iii. doors;
- iv. the interior side of demising walls (which shall be repainted as needed but not less often than every five years and
- v. signage
- vi. emergency exit signage and egress battery replacement.

#### 11.3. Tenant Obligations

Without limiting Landlord's Obligations, Tenant shall, at Tenant's sole expense, be responsible for the cost of repairing any area of the Premises or Building damaged by Tenant or Tenant's agents, employees, invitees or visitors and the repair of low voltage electronic, phone and data cabling and related equipment that is installed by or for the exclusive benefit of Tenant. All repairs and replacements shall:

- a. be made and performed by contractors or mechanics approved by Landlord, which consent shall not be unreasonably withheld or delayed,
- b. be at least equal in quality, value and utility to the original work or installation, and
- c. be in accordance with all laws.

#### 11.4. Tenant's Right to Repair

a. If Tenant provides written notice (or oral notice in the event of an emergency such as damage or destruction to or of any portion of the Building structure and/or the Building systems and/or anything that could cause material disruption to Tenant's business) to Landlord of an event or circumstance which requires the action of Landlord with respect to repair and/or maintenance, and Landlord fails to provide such action within a reasonable period of time, given the circumstances, after the giving of such notice, but in any event not later than fifteen (15) days after the giving of such notice, then Tenant may proceed to take the required action (provided, however, that no such notice shall be required in the event of an emergency which threatens life or where there is imminent danger to property or a possibility that a failure to take immediate action could cause a material disruption in Tenant's normal and customary business activities). Tenant shall have access to the Building to the extent necessary to perform the work contemplated by this provision. If such action was required under the terms of this Lease to have been taken by Landlord and was not taken by Landlord within such period (unless such notice was not required as provided above), and Tenant took such required action, then Tenant shall be entitled to prompt reimbursement by Landlord of Tenant's reasonable costs and expenses in having taken such action plus interest thereon at ten percent (10%) per annum. If not reimbursed by Landlord within ten (10) days, Tenant shall be entitled to deduct from the Base Rent payable by Tenant under this Lease the amount set forth in its invoice for such work. The remedies provided in this Section are in addition to the remedies provided in Section 14.

b. Tenant, at its sole option, acting through the Chief Executive Office (CEO), may request Landlord to perform, supply and administer any repairs, replacement, or services that are the responsibility of Tenant and reimburse Landlord for such costs.

## 12. SERVICES AND UTILITIES

### 12.1. Services

#### a. Heating, Ventilation and Air Conditioning (HVAC)

Landlord shall furnish heating, ventilation and air conditioning ("HVAC"), during Normal Working Hours in amounts required for the use and occupancy of the Premises for normal office purposes to a standard comparable to other first-class buildings and not less than the standard set forth in Exhibit D attached hereto.

#### b. Electricity

Landlord shall furnish to the Premises the amount of electric current provided for in the Working Drawings (if applicable) but in any event not less than seven (7) watts of electric current (connected load) per square foot of Rentable Square Feet in the Premises, for power and lighting and electric current for HVAC, and Landlord shall provide the existing or new transformers or sub-panels on each floor of the Premises necessary for Tenant to utilize such capacity in the Premises.

#### c. Elevators

Landlord shall furnish freight and passenger elevator services to the Premises during Normal Working Hours. During all other hours, Landlord shall furnish passenger elevator cab service in the elevator bank serving the Premises on an as needed basis, and, by prior arrangement with Landlord's building manager, freight elevator service.

#### d. Water

Landlord shall make available warm and cold water for normal lavatory and potable water meeting all applicable governmental standards for drinking purposes in the Premises.

#### e. Janitorial

Landlord at its sole cost and expense shall provide janitorial service on five nights per week (excluding holidays) generally consistent with that furnished in comparable office buildings in the County of Los Angeles, but not less than the services set forth in the specifications set forth in Exhibit E attached hereto.

#### f. Access

Landlord shall furnish to Tenant's employees and agents access to the Building, Premises and Common Areas on a seven day per week, 24 hours per day basis, subject to compliance with such reasonable security measures as shall from time to time be in effect for the Building.

#### g. Pest Control

Landlord at its sole cost and expense shall provide pest control services to the Premises per the specifications set forth in Exhibit E attached hereto.

## 12.2. Utilities

Landlord agrees to pay when due all charges for the use of the sewer, effluent treatment, when and if imposed by any governmental authority, all water, sprinkler standby charges, electricity, gas, heating and common area power and lighting, power charges associated with the HVAC, and other utility rents and charges accruing or payable in connection with the Premises during the Term of this Lease or any renewal, extension, or holdover thereof, whether the same are pro-rated or measured by separate meters. In the event Landlord fails or refuses to pay any or all such charges when due, Tenant may give Landlord ten (10) calendar days prior written notice and thereafter pay directly such charges and deduct the payments from the installments of rent next due as a charge against Landlord.

## 13. TAXES

Landlord shall pay, prior to delinquency, all real property taxes, assessments and special assessments which may be levied or assessed against the Premises or Building during the term of this Lease or any renewal or holdover period thereof.

In the event Landlord fails or refuses to pay any or all taxes or assessments when due, Tenant may, at its sole discretion, give Landlord thirty (30) calendar days prior written notice and thereafter pay such taxes and assessments and deduct the payments from the installments of rent next due as a charge against Landlord.

## 14. LANDLORD ACCESS

Tenant shall permit Landlord and its agents to enter the Premises upon prior written notice for the purpose of inspecting the Premises for any reasonable purpose. If Landlord temporarily closes any portion of the Building or Premises, Base Rent shall be prorated based upon the percentage of the Premises or Building rendered unleaseable and not used by Tenant. Landlord shall have the right at any and all times to enter the Premises in the event of an emergency.

## 15. TENANT DEFAULT

### 15.1. Default

The occurrence of any one or more of the following events shall constitute a material default and breach of this Lease by Tenant ("Default"):

a. the failure by Tenant to make any payment of Base Rent or any other payment required to be made by Tenant hereunder (except to the extent an offset is expressly permitted hereunder), as and when due and if the failure continues for a period of ten (10) days after written notice to Tenant;

b. the failure by Tenant to observe or perform any of the other covenants, conditions or provisions of this Lease, where such failure shall continue for a period of thirty (30) days after written notice from Landlord specifying in detail the nature of the



default; provided, however, if more than thirty (30) days are reasonably required for its cure then Tenant shall not be deemed to be in default if Tenant commences such cure within said thirty (30) day period and thereafter diligently prosecutes such cure to completion.

#### 15.2. Termination

Tenant agrees that if a Default should occur and should not be cured within the time periods set forth above, it shall be lawful for Landlord to terminate this Lease upon the giving of written notice to Tenant. In addition thereto, Landlord shall have such other rights or remedies as may be provided by law.

#### 15.3. No Effect on Indemnity

Nothing in this Article shall be deemed to affect either Landlord or Tenant's right to indemnification under any indemnification clause or clauses set forth in this Lease.

### 16. LANDLORD DEFAULT

#### 16.1. Remedies

In addition to the provisions for Landlord's default provided by Sections 10.4 and 22.2, Landlord shall be in default ("Landlord Default") in the performance of any obligation required to be performed by Landlord under this Lease if Landlord has failed to perform such obligation within fifteen (15) days after the giving of written notice with respect thereto by Tenant (which notice shall be, if appropriate, the same notice given under Section 11.4); provided, however, that if the nature of the Landlord Default is such that the same cannot reasonably be cured within such fifteen (15) day period, Landlord shall not be deemed to be in Landlord Default if Landlord shall within such period commence such cure and thereafter diligently prosecute the same to completion. If the Landlord Default is of such a nature that it materially and substantially interferes with Tenant's occupancy and use of the Premises and if such Landlord Default is not cured within the foregoing cure period, then Tenant shall have the right, at its option, with or without further notice or demand of any kind to Landlord or any other person, to any one or more of the following described remedies in addition to all other rights and remedies provided at law or in equity or elsewhere herein:

- a. to remedy such default or breach and deduct the costs thereof (including but not limited to attorney's fees) plus interest at the rate of ten percent (10%) per annum from the installments of Base Rent next falling due;
- b. to pursue the remedy of specific performance;
- c. to seek money damages for loss arising from Landlord's failure to discharge its obligations under this Lease or offset such damages against Base Rent next coming due; and/or
- d. to terminate this Lease.

## 16.2. Waiver

Nothing herein contained shall relieve Landlord from its duty to effect the repair, replacement, correction or maintenance required to restore any affected services, or to perform any other obligations to the standard prescribed in this Lease, nor shall this Section be construed to obligate Tenant to undertake any such work.

## 16.3. Emergency

Notwithstanding the foregoing cure period, Tenant may cure any default without notice where the failure promptly to cure such default would, in the reasonable opinion of Tenant, create or allow to persist an emergency condition or materially and adversely affect the operation of Tenant's business in the Premises.

## 17. ASSIGNMENT AND SUBLETTING

Tenant may assign, mortgage, encumber or otherwise transfer this Lease or sublet the whole or any part of the Premises upon first obtaining Landlord's prior consent: provided, however, no such assignment, subletting or other transfer shall relieve Tenant of any liability under this Lease unless Landlord has given its written consent thereto, which Landlord shall not unreasonably withhold if the assignee has a financial condition which is reasonably sufficient for it to be responsible for all future obligations under this Lease.

## 18. ALTERATIONS AND ADDITIONS

### 18.1. Landlord Consent

Tenant shall not make any structural alterations, improvements, additions, or utility installations in or about the Premises (collectively, "Alterations") without first obtaining the written consent of Landlord, which consent shall not be unreasonably withheld, conditioned or delayed. However, Landlord's consent shall not be required for any Alteration that satisfies all of the following criteria:

- a. complies with all Laws;
- b. is not visible from the exterior of the Premises or Building;
- c. will not materially affect the systems or structure of the Building; and
- d. does not unreasonably interfere with the normal and customary business office operations of other tenants in the Building.

If Landlord fails to respond in writing within thirty (30) days of such request, Landlord shall be deemed to approve the Alterations.

## 18.2. End of Term

Any Alterations not removed by Tenant shall become the property of Landlord and remain upon and be surrendered with the Premises at the expiration of the Term.

## 19. CONDEMNATION

### 19.1. Controlling Terms

If during the Term, or during the period of time between the execution of this Lease and the Commencement Date, there is any taking of all or any part of the Premises or any interest in this Lease by Condemnation (as defined below), this Section shall determine the rights and obligations of Tenant and Landlord. "Condemnation" shall mean the exercise of any governmental power to take title to any portion of the Premises, whether by legal proceedings or otherwise, by a Condemnor (as defined below) or a voluntary sale or transfer by Landlord to any Condemnor either under threat of a Condemnor's exercise of such power or while legal proceedings are pending for the exercise of such power. "Condemnor" shall mean any public or quasi-public authority, or private corporation or individual, having the power of Condemnation.

### 19.2. Total Taking

If the Premises are totally taken by Condemnation, this Lease shall terminate on the date the Condemnor has a right to possession of the Premises (the "Date of Taking").

### 19.3. Partial Taking

If any portion, but not all, of the Premises is taken by Condemnation, this Lease shall remain in effect, except that Tenant may elect to terminate this Lease if, in Tenant's reasonable judgment, the remaining portion of the Premises (including the space available for parking) is rendered unsuitable for Tenant's continued use of the Premises. If Tenant elects to so terminate this Lease, Tenant must exercise its right to terminate by giving notice to Landlord within thirty (30) days after the date that the nature and the extent of the Condemnation have been determined (the "Determination Date"); which notice shall set forth the date of termination. Such termination date shall not be earlier than thirty (30) days or later than ninety (90) days after Tenant has notified Landlord of its election to terminate; except that this Lease shall terminate on the Date of Taking if the Date of Taking falls on a date before the date of termination as designated by Tenant. If Tenant does not so notify Landlord within thirty (30) days after the Determination Date, all obligations of Tenant under this Lease shall remain in effect, except that Base Rent shall be equitably abated.

#### 19.4. Restoration

Notwithstanding the preceding paragraph, if, within thirty (30) days after the Determination Date, Landlord notifies Tenant that Landlord at its cost will add to the remaining Premises so that the area of the Premises and the space available for parking, will be substantially the same after the Date of Taking as they were before the Date of Taking, and Landlord commences the restoration promptly and, subject to reasonable allowance for delays that are not caused by Landlord, completes it within ninety (90) days after Landlord so notifies Tenant, this Lease shall continue in effect. All obligations of Tenant under this Lease shall remain in effect, except that Base Rent shall be equitably abated or reduced during the period from the Date of Taking until the completion of such restoration.

#### 19.5. Award

The Award (as defined below) shall be divided between Landlord and Tenant as their respective interests may appear. "Award" shall mean all compensation, sums or anything of value awarded, paid or received on a total or partial Condemnation of the Premises.

#### 19.6. Waiver of Statute

Landlord and Tenant hereby waive the provision of California Code of Civil Procedure Section 1265.130 allowing Landlord or Tenant to petition the Superior Court to terminate this Lease in the event of a partial taking of the Premises.

### 20. INDEMNIFICATION

#### 20.1. Landlord's Indemnity

Landlord shall indemnify, defend and hold harmless Tenant from and against all loss, cost and expense, including reasonable attorneys' fees, arising from any injury or damage to any person or property, occurring in or about the Building or Premises as a result of any negligent act, omission or willful misconduct of Landlord or its officers, contractors, licensees, agents, employees, guests, or visitors, or arising from any breach or default under this Lease by Landlord. The foregoing provisions shall not be construed to make Landlord responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Tenant or its officers, contractors, licensees, agents, employees or invitees.

#### 20.2. Tenant's Indemnity

Tenant shall indemnify, defend and hold harmless Landlord from and against all loss, cost and expense, including reasonable attorney' fees, arising from any injury or damage to any person or property, occurring in or about the Building or Premises as a result of any negligent act, omission or willful misconduct of Tenant or its

officers, contractors, licensees, agents, employees, guests, or visitors, or arising from any breach or default under this Lease by Tenant. The foregoing provisions shall not be construed to make Tenant responsible for loss, damage, liability or expense resulting from injuries to third parties caused by the negligence or willful misconduct of Landlord or its officers, contractors, licensees, agents, employees or invitees.

## 21. INSURANCE

During the term of this Lease, the following insurance requirements will be in effect:

### 21.1. Landlord's Insurance

During the term of this Lease, Landlord shall maintain the following insurance:

a. Commercial property insurance which shall:

i. cover damage to Landlord's property, including improvements and betterments, from perils covered by the causes-of-loss special form (ISO form CP 10 30), and include ordinance or law coverage (and coverage against acts of terrorism to the extent such coverage is reasonably available and priced at commercially reasonable rates) and

ii. be written for full replacement cost of the property, with a deductible of no greater than five percent (5%) of the property value.

Insurance proceeds shall be payable to Landlord and Tenant as their interests may appear and be utilized for repair and restoration of the Premises.

b. General liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

i. per occurrence and general aggregate amount of \$5,000,000;

ii. products/completed operations aggregate of \$2,000,000; and

iii. personal and advertising injury of \$1,000,000.

c. Failure by Landlord to maintain the insurance required by this Section and deliver evidence thereof as required by this Lease or to use any insurance proceeds to timely repair and restore the Premises shall constitute a material breach of this Lease.

### 21.2. Insurance Requirements

All insurance policies required to be maintained by Landlord under this Lease shall be issued by insurance companies which have a Best's Rating of "AVII" or better and which are qualified to do business in the State of California. Each party's

insurance policies, with respect to any claims related to this Lease, shall be written as primary policies, not contributing with, and not in excess of coverage which the other party may carry.

### 21.3. Certificates

Each party shall deliver to the other party on the Commencement Date of this Lease and thereafter at least fifteen (15) days prior to expiration of any insurance required to be carried hereunder, certificates of insurance evidencing this coverage with limits not less than those specified in this Section 19. Certificates must document that Landlord has named Tenant as an additional insured (or its equivalent) on Landlord's general liability policy. Certificates must document that Tenant has named Landlord as an additional insured (or its equivalent) on Tenant's general liability policy. Further, each party shall provide the other party with, or each party's insurance policies shall contain a provision that the other party shall receive, no less than thirty (30) days' prior written notice in the event of material change to, expiration or cancellation of the coverages or policies evidenced by the certificates.

### 21.4. Waiver of Subrogation

Landlord and Tenant each hereby waive their rights of subrogation against one another to the extent it is covered by the property insurance policies required to be carried hereunder. Each party shall cause its insurance carriers to consent to the foregoing waiver of rights of subrogation against the other party.

### 21.5. Tenant's Insurance

During the term of this Lease, Tenant shall maintain the following insurance:

a. General liability insurance (written on ISO policy form CG 00 01 or its equivalent) with limits of not less than the following:

- i. per occurrence and general aggregate amount of \$5,000,000;
- ii. products/completed operations aggregate of \$2,000,000; and
- iii. personal and advertising injury of \$1,000,000.

b. Failure by Tenant to maintain the insurance required by this Section and deliver evidence thereof as required by this Lease shall constitute a material breach of this Lease. Tenant shall have the right to use its self-insurance programs to comply with any and/or all of the insurance requirements herein.

## 22. PARKING

### 22.1. Tenant's Rights

Tenant shall have the right to the number of nonexclusive parking stalls set forth in Section 1 without charge for the Term of this Lease. No tandem parking shall be permitted and Tenant shall be entitled to full in/out privileges. Tenant's parking rights shall be subject to reasonable parking rules and regulations adopted by Landlord from time to time, provided that such procedures shall be uniformly applied to all tenants. Tenant acknowledges that all other parking spaces are not for the exclusive use of Tenant, rather, all such parking spaces are to be used on a non-exclusive, first-come, first-served basis by Tenant and other tenants, occupants, licensees, invitees and permittees of the Building.

### 22.2. Remedies

Landlord acknowledges that it is a material term of this Lease that Tenant receive all of the Parking Spaces to which it is entitled under this Lease for the entire Term of this Lease and that it would be impracticable and extremely difficult to fix the actual damages for a breach of such provisions. It is therefore agreed that if, for any reason whatsoever, a material number of the Parking Spaces required above are not available to Tenant, (in addition to the rights given to Tenant under Section 16.1 and Sections 10 and 19 in the event of casualty or condemnation) then Tenant shall provide thirty (30) days written notice to Landlord and Landlord shall have thirty (30) days to cure. If at the end of the thirty (30) day period, Landlord has not permanently cured, then Tenant:

a. Terminate this Lease by giving written notice of such termination to Landlord, which notice shall be effective thirty (30) days thereafter or

b. Deduct from the Base Rent thereafter accruing hereunder an amount each month equal to the Base Rent times the percentage of Parking Spaces not so provided times the number 1.5, but such deduction from Base Rent shall be not less than ten percent (10%) or more than one hundred percent (100%) of Base Rent.

## 23. ENVIRONMENTAL MATTERS

### 23.1. Hazardous Materials

Tenant shall not cause nor permit, nor allow any of Tenant's employees agents, customers, visitors, invitees, licensee, contractor, assignees or subtenants to cause or permit, any Hazardous Materials to be brought upon, stored, manufactured, generated, blended, handled, recycled, treated, disposed or used on, under or about the Premises, the Building or the Common Areas, except for routine office and janitorial supplies in usual and customary quantities stored, used and disposed of in accordance with all applicable Environmental Laws. As used herein, "Hazardous Materials" means any chemical, substance, material, controlled substance, object, condition, waste, living

organism or combination thereof, whether solid, semi solid, liquid or gaseous, which is or may be hazardous to human health or safety or to the environment due to its radioactivity, ignitability, corrosivity, reactivity, explosivity, toxicity, carcinogenicity, mutagenicity, phytotoxicity, infectiousness or other harmful or potentially harmful properties or effects, including, without limitation, molds, toxic levels of bacteria, tobacco smoke within the Premises, petroleum and petroleum products, asbestos, radon, polychlorinated biphenyls (PCBs), refrigerants (including those substances defined in the Environmental Protection Agency's "Refrigerant Recycling Rule," as amended from time to time) and all of those chemicals, substances, materials, controlled substances, objects, conditions, wastes, living organisms or combinations thereof which are now or become in the future listed, defined or regulated in any manner by any Environmental Law based upon, directly or indirectly, such properties or effects. As used herein, "Environmental Laws" means any and all federal, state or local environmental, health and/or safety-related laws, regulations, standards, decisions of courts, ordinances, rules, codes, orders, decrees, directives, guidelines, permits or permit conditions, currently existing and as amended, enacted, issued or adopted in the future which are or become applicable to Tenant, the Premises, the Building or the Common Areas.

### 23.2. Landlord Indemnity

Landlord shall indemnify, protect, defend (by counsel acceptable to Tenant) and hold harmless Tenant from and against any and all claims, judgments, causes of action, damage, penalties, fine, taxes, costs, liabilities, losses and expenses arising at any time during or after the Term as a result (directly or indirectly) of or in connection with the presence of Hazardous Materials on, under or about the Premises, Building or Common Areas or other violation of laws relating to Hazardous Materials other than those caused by Tenant. This indemnity shall include, without limitation, the cost of any required or necessary repair, cleanup or detoxification, and the preparation and implementation of any closure, monitoring or other required plans, as such action is required by local or state laws or any governmental agency. Landlord shall promptly deliver to Tenant a copy of any notice received from any governmental agency during the Term of this Lease concerning the presence of Hazardous Materials in the Building or the Premises. Landlord's obligations pursuant to the foregoing indemnity shall survive the expiration or termination of this Lease. A default by Landlord under this Section shall constitute a material default under this Lease.

### 24. ESTOPPEL CERTIFICATES

Tenant shall, within thirty (30) days after written request of Landlord, execute, acknowledge and deliver to Landlord or its designee a written statement in the form of Document II in the Supplemental Lease Documents delivered to Landlord concurrently herewith (properly completed) but shall have no other obligation to deliver any other form of estoppel certificate. It is intended that any such statement delivered pursuant to this Section may be relied upon by a prospective purchaser of Landlord's interest in the Premises or holder of any mortgage upon Landlord's interest in the Premises.



## 25. PREPARATION OF PREMISES

Landlord agrees to provide "Preparation of Premises" as shown on Exhibit F at its sole cost and expense.

Landlord shall use commercially reasonable efforts to complete the Tenant Improvements in a manner so as to minimize unreasonable interference with Tenant's business at the Premises. Landlord agrees to perform the Tenant Improvements before 7:00 a.m. or after 6:00 p.m. on Mondays through Fridays and/or at any time on the weekends. Tenant hereby agrees to use its best efforts to cooperate with Landlord in connection with the construction of the Tenant Improvements. Landlord agrees to move, to the extent necessary, Tenant's furniture and such other items as Landlord may require be moved in order to perform the Tenant Improvements.

Landlord agrees to commence the Tenant Improvements, subject to Force Majeure and delays caused by Tenant, within thirty (30) days from the Commencement Date, and to be completed, subject to Force Majeure and delays caused by Tenant, within one hundred twenty (120) days thereafter.

Should Landlord fail to comply with the completion of the Tenant Improvements within such one hundred twenty (120) days (as extended for Force Majeure and delays caused by Tenant), Tenant may upon thirty (30) days written notice to Landlord, assume the responsibility for providing the tenant improvements itself.

If Tenant elects to provide tenant improvements itself, then:

a. Tenant and its officers, employees, agents, contractors and assignees, shall have free access to the Premises at all reasonable times for the purpose of making the tenant improvements and for any other purposes related thereto; and

b. Rent shall be reduced by Tenant's total expense in making the tenant improvements, including any financing charges for capital and a reasonable amount for its administrative costs, and including interest at the rate of ten percent (10%). The rent reduction schedule shall be as mutually agreed to between the parties or, if no such agreement is made, Tenant's total expense shall be fully amortized in equal monthly amounts over three (3) years.

Force Majeure and delays caused by Tenant shall provide Landlord with a day-for-day extension for delays caused by any of the following:

a. Acts or omissions of Tenant or of any employees or agents of Tenant (including without limitation change orders in the work), or

b. Any Act of God which Landlord could not have reasonably foreseen and provided for, or

c. Any strikes, boycotts or like obstructive acts by employees or agents of Landlord or labor organizations which Landlord cannot overcome with reasonable effort and could not reasonably have foreseen and provided for, or

d. Any war or declaration of a state of national emergency, or

e. The imposition by government action or authority of restrictions upon the procurement of labor or materials necessary for the completion of the Building and/or Premises.

## 26. LIENS

Tenant shall keep its interest in this Lease and the Premises free from any liens arising out of any work performed or materials ordered or obligations incurred by Tenant. Landlord shall keep its interest in this Lease and the Premises free from any liens which would impair the interest of Tenant hereunder and hereby indemnifies and holds Tenant harmless from any liability or loss from any such lien.

## 27. SUBORDINATION AND MORTGAGES

### 27.1. Subordination and Non-Disturbance

Tenant agrees, at Landlord's option, to subordinate this Lease to the lien of any mortgages or deeds of trust now or hereafter in force against the Building; provided however, Tenant's obligation to subordinate this Lease is expressly conditioned upon Tenant receiving a written agreement in the form of Document I in the Supplemental Lease Documents delivered to Landlord concurrently herewith and provided further that no such subordination shall affect any option to extend the Term of this Lease, right of first offer to lease additional premises, option to purchase or right of first offer to purchase the Property which may be included herein.

### 27.2. Notice of Default

If any mortgagee or beneficiary under a deed of trust affecting the Property gives written notice of its name and address to Tenant by registered mail requesting any such notice with reference to this Section, Tenant agrees to use its best efforts (but without liability for failure to do so) to give such mortgagee a copy of any Notice of Default served upon Landlord hereunder which could permit Tenant to terminate this Lease and an additional ten (10) days within which to cure such default.

## 28. SURRENDER OF POSSESSION

Subject to casualty, at the expiration of the Term of this Lease, whether by lapse of time or otherwise, Tenant shall promptly and peacefully surrender the Premises to Landlord in a "broom-clean" condition. Tenant may (but shall not be required to) remove, at its own expense, all fixtures, equipment and all other personal property

placed or installed in or upon the Premises by Tenant, or under its authority (including any modular furniture).

29. SIGNAGE

Tenant shall be permitted to install at the Premises reasonably appropriate signs that conform with any and all applicable laws and ordinances and building standards at Tenant's sole cost and expense.

30. QUIET ENJOYMENT

So long as Tenant is not in default hereunder, Tenant shall have the right to the quiet and peaceful enjoyment and possession of the Premises and the Common Areas during the Term of this Lease, subject to the terms and conditions of this Lease.

31. GENERAL

31.1. Headings

Titles to Sections of this Lease are not a part of this Lease and shall have no effect upon the construction or interpretation of any part hereof.

31.2. Successors and Assigns

All of the covenants, agreements, terms and conditions contained in this Lease shall inure to and be binding upon Landlord and Tenant and their respective successors and assigns.

31.3. Brokers

Landlord and Tenant each represent and warrant to each other that it has not engaged any broker, finder or other person who would be entitled to any commission or fees in respect of the negotiation, execution or delivery of this Lease other than as disclosed to the other in writing and shall indemnify and hold harmless each other against any loss, cost, liability or expense incurred by the other party as a result of any claim asserted by any such broker, finder or other person on the basis of any arrangements or agreements made or alleged to have been made in variance with this representation.

31.4. Entire Agreement

This Lease (and Supplemental Lease Documents) is the final and complete expression of Landlord and Tenant relating in any manner to the leasing, use and occupancy of the Premises, to Tenant's use of the Building and other matters set forth in this Lease. No prior agreements or understanding pertaining to the same shall be valid or of any force or effect and the covenants and agreements of this Lease shall

not be altered, modified or added to except in writing signed by both Landlord and Tenant.

31.5. Severability

Any provision of this Lease which shall prove to be invalid, void or illegal shall in no way affect, impair or invalidate any other provision hereof and the remaining provisions hereof shall nevertheless remain in full force and effect.

31.6. Notices

All notices and communications to any party hereunder shall be in writing and shall be deemed properly given if delivered personally, sent by registered or certified mail, postage prepaid, or by a recognized overnight commercial messenger providing proof of delivery, facsimile (electronically confirmed) to Landlord's Address for Notice and Tenant's Address for Notice as set forth in Section 1. Any notice so given shall be deemed to have been given as of the date of delivery (whether accepted or refused) established by U.S. Post Office return receipt or the overnight carrier's proof of delivery, as the case may be. Any such notice not so given shall be deemed given upon receipt of the same by the party to whom the same is to be given.

31.7. Governing Law and Forum

This Lease shall be governed by and construed in accordance with the internal laws of the State of California. Any litigation with respect to this Lease shall be conducted in the County of Los Angeles, State of California.

31.8. Waivers

No waiver by Landlord or Tenant of any provision hereof shall be deemed a waiver of any other provision hereof or of any subsequent breach by Landlord or Tenant of the same or any other provision. Landlord's or Tenant's consent to or approval of any act shall not be deemed to render unnecessary the obtaining of Landlord's or Tenant's consent to or approval of any subsequent act by Landlord or Tenant.

31.9. Time of Essence

Time is of the essence for the performance of all of the obligations specified hereunder.

31.10. Consent

Whenever any consent is required by Landlord or Tenant hereunder, such consent shall not be unreasonably withheld, conditioned or delayed and, unless otherwise specifically provided herein, shall be deemed granted if not refused within ten

(10) days after written request is made therefore, together with all necessary information.

### 31.11. Community Business Enterprises

Landlord shall complete and deliver to Tenant concurrently with the execution hereof a Community Business Enterprises form set forth as Document III in the Supplemental Lease Documents delivered to Landlord concurrently herewith.

### 32. AUTHORITY

Only the Board of Supervisors has the authority, by formally approving and/or executing this Lease, to bind the County to the terms included herein. Each individual executing this Lease on behalf of Tenant represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Tenant, and that this Lease is binding upon Tenant in accordance with its terms. Landlord understands that no material terms of this Lease may be altered or deleted, nor may any new material terms be added to this Lease, without the express written approval of the Board of Supervisors, either through an amendment to the Lease or by other formal board action. No County officer, employee, agent or independent contractor has any authority to alter, add or delete the material terms of this Lease and Landlord may not rely upon any representations to the contrary. This limitation of authority applies to all material terms of the Lease including, without limitation, any monetary ceiling established for Tenant Improvements or other project costs of Landlord which are subject to reimbursement by County. County shall not reimburse Landlord for any expenses which exceed this ceiling. Notwithstanding the foregoing, the Chief Executive Officer of the County or its delegee (the "Chief Executive Officer") may take any administrative act on behalf of Tenant hereunder which does not have the effect of increasing Base Rent or other financial obligations of Tenant under this Lease, including without limitation, granting any approvals, terminating this Lease in the manner provided herein by an Early Termination Notice or otherwise, signing estoppel certificates, signing the Commencement Date Memorandum and Confirmation of Lease Terms or subordinating this Lease. Each individual executing this Lease on behalf of Landlord represents and warrants that he or she is duly authorized to execute and deliver this Lease on behalf of Landlord, and that this Lease is binding upon Landlord in accordance with its terms.

### 33. ACKNOWLEDGEMENT BY LANDLORD

Landlord acknowledges that it is aware of the following provisions:

#### 33.1. Consideration of GAIN Program Participants

Should Landlord require additional or replacement personnel after the effective date of this Lease, Landlord shall give consideration for any such employment, openings to participants in the County Department of Public Social Services' Greater Avenues for Independence ("GAIN") Program who meet Landlord's minimum

qualifications for the open position. The County will refer GAIN participants by job category to Landlord.

### 33.2. Solicitation of Consideration

It is improper for any County officer employee or agent to solicit consideration in any form from Landlord with the implication, suggestion or statement that Landlord's provision of the consideration may secure more favorable treatment for Landlord in the award of the Lease or that Landlord's failure to provide such consideration may negatively affect the County's consideration of Landlord's offer to lease. Landlord shall not offer or give, either directly or through an intermediary, consideration in any form to a County officer, employee or agent for the purpose of securing favorable treatment with respect to the award of this Lease.

Landlord shall immediately report any attempt by a County officer, employee or agent to solicit such improper consideration. The report shall be made either to the County Manager charged with the supervision of the employee or to the County Auditor-Controller's Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861. Failure to report such solicitation may result in Landlord's submission being eliminated from consideration.

### 33.3. Landlord Assignment

a. Landlord may assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof (including the right to receive rental payments but excluding its duties and obligations hereunder), and Landlord may execute any and all instruments providing for the payment of Base Rent directly to an assignee or transferee, but only if the conditions set forth in this Section are met.

b. Any document or agreement purporting to assign, transfer, mortgage, hypothecate or encumber Landlord's right, title and interest in and to this Lease or any portion thereof, is hereinafter referred to as a "Security Agreement." Any Security Agreement which is executed without full compliance with the requirements of this Section shall be void.

c. Each assignee or transferee under the Security Agreement shall certify and agree in writing that such assignee or transferee has read and is familiar with the requirements of Sections 5950-5955 of California Government Code, which prohibits the offer or sale of any security constituting a fractional interest in this Lease or any portion thereof, without the prior written consent of the County. Notwithstanding the foregoing, the County hereby acknowledges and agrees that Landlord shall have the right to encumber the Property with CMBS (collateralized mortgage backed securities) financing or other traditional real estate financing. However, Landlord may not encumber the Property through any type of bond financing vehicle, including but not limited to certificate of participation financing.

d. Violation by Landlord of the provisions of Section 5951 of the California Government Code will constitute a material breach of this Lease, upon which the

County may impose damages in an amount equal to the greater of \$500,000 or ten percent (10%) of the aggregate principal portion of all rental payments payable by the County during the entire Term of this Lease, it being expressly agreed that the aforesaid amount shall be imposed as liquidated damages, and not as a forfeiture or penalty. It is further specifically agreed that the aforesaid amount is presumed to be the amount of damages sustained by reason of any such violation, because from the circumstances and nature of the violation it would be impracticable and extremely difficult to fix actual damages. In addition, the County may exercise or pursue any other right or remedy it may have under this Lease or applicable law.

e. Landlord shall give the County notice and a copy of each Security Agreement and any other instrument relating thereto (including, but not limited to, instruments providing for the payment of Base Rent directly to an assignee or transferee) at least two weeks prior to the effective date thereof.

f. Landlord shall not furnish any information concerning County or the subject matter of this Lease (including, but not limited to, offering memoranda, financial statements, economic and demographic information, and legal opinions rendered by the office of counsel for the County) to any person or entity, except with County's prior written consent. Landlord shall indemnify, defend and hold County and its officers, agents and employees harmless from and against all claims and liability alleged to arise from the inaccuracy or incompleteness of any information furnished by Landlord in violation of this Section.

g. The provisions of this Section shall be binding upon and applicable to the parties hereto and their respective successors and assigns. Whenever in this Section Landlord is referred to, such reference shall be deemed to include Landlord's successors or assigns, and all covenants and agreements by or on behalf of Landlord herein shall bind and apply to Landlord's successors and assigns whether so expressed or not.

#### 34. IRREVOCABLE OFFER

In consideration for the time and expense that Tenant will invest, including, but not limited to, preliminary space planning, legal review, and preparation and noticing for presentation to the Tenant Real Estate Management Commission of Los Angeles County in reliance on Landlord's agreement to lease the Premises to Tenant under the terms of this Lease, Landlord irrevocably offers to enter into this Lease and not to revoke this offer until the Irrevocable Offer Expiration Date, as defined in Section 1.

IN WITNESS WHEREOF this Lease has been executed the day and year first above set forth.

LANDLORD:

Jamison 1055 Wilshire, LLC,  
a California limited liability company

By: Jamison Services, Inc.,  
a California corporation  
Its Authorized Agent

By: 

Jaime Lee

Executive Vice President

TENANT:

COUNTY OF LOS ANGELES  
a body politic and corporate

SACHI A. HAMAI  
Chief Executive Officer

By: \_\_\_\_\_

David P. Howard

Assistant Chief Executive Officer

ATTEST:

DEAN C. LOGAN

Registrar-Recorder/County Clerk

By: \_\_\_\_\_

Deputy

APPROVED AS TO FORM:

MARY C. WICKHAM

County Counsel

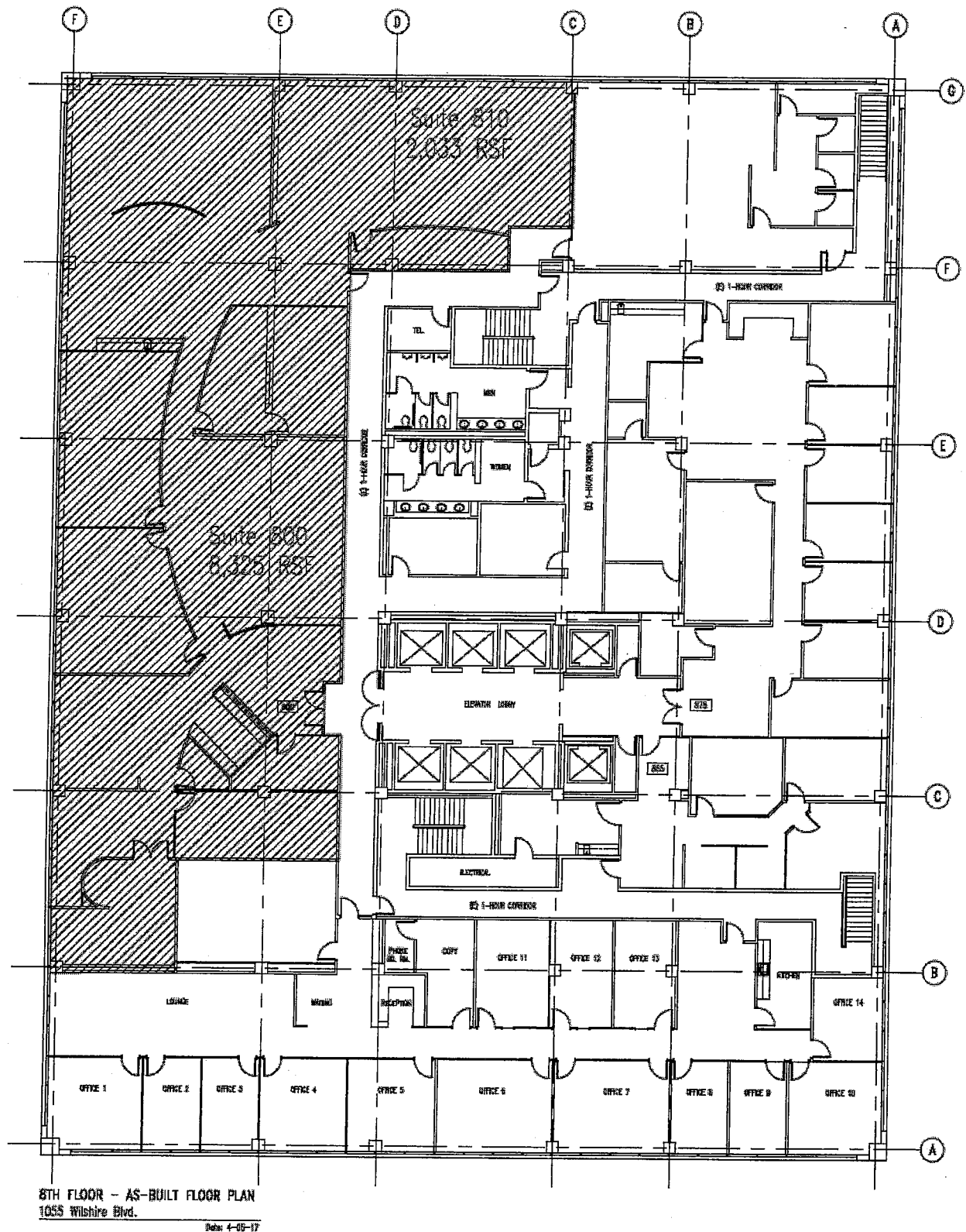
By: 

Senior Associate



# EXHIBIT A

## FLOOR PLAN OF PREMISES



## EXHIBIT B

### LEGAL DESCRIPTION OF REAL PROPERTY

LOTS 74, 75, 76, 77 AND 78 OF SUBDIVISION OF LAND OF ST. PAUL'S SCHOOL, IN THE CITY OF LOS ANGELES, COUNTY OF LOS ANGELES, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 52 PAGES 85 AND 86 OF MISCELLANEOUS RECORDS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT THE INTEREST IN THAT PORTION OF SAID LAND INCLUDED WITHIN WILSHIRE BOULEVARD, CONDEMNED FOR PUBLIC STREET PURPOSES PER SUPERIOR COURT CASE NO. 263-485, A COPY OF THE FINAL JUDGMENT OF SAID CASE BEING RECORDED IN BOOK 11459 PAGE 143, OFFICIAL RECORDS.

APN: 5143-025-028

Also known as 1055 Wilshire Boulevard, Los Angeles, CA 90017

## EXHIBIT C

### COMMENCEMENT DATE MEMORANDUM AND CONFIRMATION OF LEASE TERMS

Reference is made to that certain lease ("Lease") dated \_\_\_\_\_, 2018, between County of Los Angeles, a body politic and corporate ("Tenant"), and Jamison 1055 Wilshire, LLC, a California limited liability company ("Landlord"), whereby Landlord leased to Tenant and Tenant leased from Landlord certain premises commonly known as Suites 800 and 810 ("Premises") in the building located at 1055 Wilshire Boulevard, Los Angeles, CA 90017 ("Building"),

Landlord and Tenant hereby acknowledge as follows:

- 1) Landlord delivered possession of the Premises to Tenant in a Substantially Complete condition on \_\_\_\_\_ ("Possession Date").
- 2) Tenant has accepted possession of the Premises and now occupies the same;
- 3) The Lease commenced on \_\_\_\_\_ ("Commencement Date").
- 4) The Premises contain \_\_\_\_\_ rentable square feet of space; and

For clarification and the purpose of calculating future rental rate adjustments:

- 1) Base Rent per month is \_\_\_\_\_.
- 2) The Base Index Month is \_\_\_\_\_.
- 3) The Base Index is \_\_\_\_\_.
- 4) The New Index Month is \_\_\_\_\_.

IN WITNESS WHEREOF, this memorandum is executed this \_\_ day of \_\_\_\_\_, 20\_\_\_\_.

<b>Tenant:</b> COUNTY OF LOS ANGELES a body politic and corporate  By: _____ Name _____ Its _____	<b>Landlord:</b> Jamison 1055 Wilshire, LLC, a California limited liability company  By: Jamison Services, Inc., a California corporation Its Authorized Agent  By: _____ Jaime Lee Executive Vice President
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## EXHIBIT D

### HEATING, VENTILATION AND AIR CONDITIONING

Landlord shall supply cooling, ventilating and heating with capacity to produce the following results effective during Normal Working Hours established by the Lease and within tolerances normal in comparable office buildings; maintenance of inside space conditions of not greater than 78 degrees Fahrenheit when the outside air temperature is not more than 93 degrees Fahrenheit dry bulb and 70 degrees Fahrenheit wet bulb, and not less than 70 degrees Fahrenheit when the outside air temperature is not lower than 42 degrees Fahrenheit dry bulb. Interior space is designated at a rate of one zone for approximately each 1,000 square feet and one diffuser for each 200 square feet of rentable square footage within the Premises. If energy requirements prohibit Landlord from complying with these requirements, Tenant shall not unreasonably withhold its consent to temporary waivers or modifications.

**EXHIBIT E**  
**CLEANING AND MAINTENANCE SCHEDULE**

1. DAILY (Monday through Friday)

- A. Composition floors dust-mopped.
- B. Desks, desk accessories and office furniture dusted. Papers and folders left on desk not to be moved.
- C. Waste baskets, other trash receptacles emptied.
- D. Chairs and waste baskets returned to proper position.
- E. Fingerprints removed from glass doors and partitions.
- F. Drinking fountains cleaned and sanitized.
- G. Lavatories, toilets and toilet rooms cleaned and mopped. Toilet supplies replenished.
- H. Bulb and tube replacements, as required.
- I. Graffiti expunged as needed within five (5) working days after notice by Tenant
- J. Exclusive day porter service from \_\_\_\_ to \_\_\_\_ (if provided by contract).

2. WEEKLY

- A. Low-reach areas, chair rungs, baseboards and insides of door jambs dusted.
- B. Window sills, ledges and wood paneling and molding dusted.
- C. Floors washed as needed.
- D. Carpets vacuumed.

3. MONTHLY

- A. High-reach areas, door frames and tops of partitions dusted.
- B. Upholstered furniture vacuumed, plastic and leather furniture wiped
- C. Picture moldings and frames dusted.
- D. Wall vents and ceiling vents dusted.
- E. Carpet professionally spot cleaned as required to remove stains.
- F. HVAC chiller water checked for bacteria, water conditioned as necessary.

4. QUARTERLY

- A. Light fixtures cleaned and dusted, but not less frequently than quarterly.
- B. Wood furniture polished.
- C. Draperies or mini-blinds cleaned as required, but not less frequently than quarterly.
- D. HVAC units serviced for preventative maintenance purposes, all filters changed.
- E. Floors washed and waxed in uncarpeted office area.

EXHIBIT E (continued)  
CLEANING AND MAINTENANCE SCHEDULE

5. SEMI-ANNUALLY

- A. Inside of windows washed.
- B. All painted wall and door surfaces washed and stains removed.
- C. All walls treated with vinyl covering washed and stains removed.

6. ANNUALLY

- A. Outside of windows washed.
- B. Bathroom and any other ceramic tile surfaces professionally cleaned using a hand scrub process. All grout and porous surfaces resealed with a professional grade sealant.
- C. Touch-up paint all interior painted surfaces in a color and finish to match existing.

7. AS NEEDED / OTHER TIME PERIOD

- A. Premises and the sidewalks, driveways, parking areas and all means of access and egress for the Premises should be maintained in good repair, and in clean and safe condition at all times.
- B. All lawns, shrubbery and foliage on the grounds of the Premises should be maintained in good condition and neat in appearance. Grass and shrubbery must be replanted as needed to maintain the grounds in good appearance and condition.
- C. Interior and exterior pest control inspections and remediation frequency is to be determined by a licensed exterminator. (TBD).
- D. Carpets to be cleaned using a non-detergent, low moisture, soil encapsulation system as recommended by the carpet manufacturer. The following schedule will be maintained for carpet cleaning:
  - i. heavy traffic areas as needed with a minimum frequency of bi-monthly [six (6) times per year];
  - ii. moderate traffic areas cleaned as needed with a minimum of once every six (6) months [two (2) times per year]; and
  - iii. clean light traffic areas a minimum of once per year.

Landlord agrees that bonnet cleaning is not an acceptable method of cleaning carpets.

- E. All walls repainted and wall coverings replaced throughout the Premises. The paint finish should be eggshell or semi-gloss as directed by Tenant and in a color acceptable to Tenant. In no event will Landlord be required to repaint or replace wall coverings more than one (1) time in a five (5) year period (the "Occurrence") except for touch-up paint as provided in Paragraph 6 C. The initial tenant improvements completed prior to Tenant's occupancy or as a condition to the renewal of the Lease shall not constitute an Occurrence for the purpose of determining the frequency of this work.

**EXHIBIT E (continued)**  
**CLEANING AND MAINTENANCE SCHEDULE**

F. All HVAC ducts serving the Premises cleaned once every five (5) years.

8. **GENERAL**

Landlord shall, upon request of Tenant, produce written service contracts as evidence of compliance with the terms of this Cleaning and Maintenance Schedule.

# EXHIBIT F

Los Angeles County Arts Commission
Preparation of Premises/Tenant Improvement
1055 Wilshire Blvd. Ste. 800 and Ste. 810, Los Angeles CA, 90017
1/25/2018
<b>MAINTENANCE AND REPAIRS TO BE DONE TO THE REASONABLE SATISFACTION OF TENANT</b>
<b>Flooring</b>
Replace all existing carpet throughout the Premises with carpet tile to County specifications per the selected finishes below.
Landlord shall be responsible for moving furniture during carpet tile installation with cooperation of County.
Keep the rubber flooring in Conference Room adjacent to Waiting Area as-is.
Install VCT flooring in the Kitchen area per the selected finishes below.
<b>Laminate</b>
Replace the stainless finish and purple finish laminate on the built-in reception desk per the selected finishes below.
Re-laminate lower cabinet panels to match upper cabinet panels in Kitchen.
Level the countertop in the Kitchen.
Add lower cabinet panels to cover the space previously intended for a dishwasher.
<b>Lighting</b>
Replace lighting in reception area with LED light fixtures selected below.
Replace track lighting in medium size conference room with 2x2 dimmable LED light fixtures.
<b>Paint</b>
Minor patching throughout Premises.
New paint throughout Premises to match the existing color where necessary.
<b>Entry Doors</b>
Install magnetic locks to hold entry doors open.
Install new door closer on entry doors.
<b>Other</b>
Replacement of any stained or damaged ceiling tiles.
<b>Finishes</b>
Carpet tile - Philadelphia Commercial, Style: Crazy Smart 54841
Administration/Research/Arts Education/Civic Art/Rear Exit (Location B, C, G, K) - Luminous 00500
Communications (Location D) - Daring 00510
Grants/Media Rooms (Location E, H) - Intense 00405
VCT - Armstrong, Style: Standard Excelon Imperial Texture
Kitchen - Charcoal 51915
Front desk laminate
Base - D91-60 (Slate Grey)
Top - D431-60 (Alabaster)
Light fixture - Lighting from Prudential - P4000 Pendant/low output with 3000K LED lamp
Two (2) 18" fixtures and two (2) 24" fixtures in Reception Area only
<b>CLEANING, SCHEDULING AND OTHER ITEMS OF NOTE</b>
<b>Cleaning</b>
Window washing - exterior (annual cleaning)
Window cleaning - interior (biannual cleaning)
Bathroom - deep cleaning - annually
Laminate floor - deep cleaning - annually
Carpet - deep cleaning - annually
Landlord to give 30 day written notice of schedule for window washing or deep cleaning.
Landlord to keep a maintenance log of when work was performed.
<b>Scheduling</b>
Advanced warning of any testing (fire alarms, elevators, electrical, etc.) during or outside of business hours.



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## EXHIBITS

- Exhibit A – Floor Plan of the Premises
- Exhibit B – Legal Description of the Property
- Exhibit C – Commencement Date Memorandum and Confirmation of Lease Terms
- Exhibit D – Heating, Ventilation, and Air Conditioning Standards
- Exhibit E – Cleaning and Maintenance Schedule
- Exhibit F – Preparation of Premises

## SUPPLEMENTAL LEASE DOCUMENTS:

- Document I: Subordination, Non-disturbance and Attornment Agreement
- Document II: Tenant Estoppel Certificate
- Document III: Community Business Enterprises Form
- Document IV: Memorandum of Lease
- Document V: Request for Notice